MIKE GALLAGHER, WISCONSIN CHAIRMAN ROB WITTMAN, VIRGINIA BLAINE LUETKEMEYER, MISSOURI ANDY BARR, KENTUCKY DAN NEWHOUSE, WASHINGTON JOHN MOOLENAAR, MICHIGAN DARIN LAHOOD, ILLINOIS NEAL DUNN, FLORIDA JIM BANKS, INDIANA DUSTY JOHNSON, SOUTH DAKOTA MICHELLE STEELE, CALIFORNIA ASHLEY HINSON, IOWA CARLOS GIMENEZ, FLORIDA



RAJA KRISHNAMOORTHI, ILLINOIS

RANKING MEMBER

KATHY CASTOR, FLORIDA

ANDRÉ CARSON, INDIANA SETH MOULTON, MASSACHUSSETTS RO KHANNA, CALIFORNIA

ANDY KIM, NEW JERSEY

SHONTEL BROWN, OHIO

MIKIE SHERRILL, NEW JERSEY

JAKE AUCHINCLOSS, MASSACHUSSETTS

HALEY STEVENS, MICHIGAN

RITCHIE TORRES, NEW YORK

Congress of the United States House of Representatives

SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY
548 Cannon House Office Building
Washington, D.C. 20515
(202) 225-6002

May 2, 2023

Mr. Rupert Campbell President Adidas North America, Inc. 5055 N. Greeley Avenue Portland, OR 97217

Dear Mr. Campbell,

On March 23, 2023, the House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party (CCP) held a hearing entitled, "The Chinese Communist Party's Ongoing Uyghur Genocide." At the hearing, we heard first-hand witness accounts about the CCP's concentration camps and expert testimony regarding the perpetration of genocide. We also received written testimony in which an expert assessed that "American companies are financing the state-sponsored forced labor programs in the Uyghur Region." We seek additional information regarding this matter.

The U.S. Department of State has determined that the CCP is committing genocide against Uyghurs and other minority groups in Xinjiang.² In response to the CCP's atrocities, Congress passed the Uyghur Forced Labor Prevention Act (UFLPA) with bipartisan support. On December 23, 2021, the UFLPA was signed into law. The UFLPA prohibits the "importation of any goods made with forced labor, including those goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region."³

We received expert testimony which revealed that products made by Uyghurs in forced labor camps are still entering the United States.⁴ One expert told the Select Committee that Adidas is "sourcing garments made not only from cotton from the Uyghur Region but also viscose, lyocell, polyester, leather, and linen from the region." Continuing to import goods produced in part with

² Edward Wong & Chris Buckley, U.S. Says China's Repression of Uighurs Is 'Genocide', N.Y. TIMES (July 27, 2021)

⁴ CCP's Uyghur Genocide Hearing (Written Testimony of Nury Turkel).

¹ The Chinese Communist Party's Ongoing Uyghur Genocide: Hearing before the Select Comm. on Strategic Competition between the U.S. and CCP, 118 Cong. (Mar. 23, 2023) (Written Testimony of Nury Turkel) ("CCP's Uyghur Genocide Hearing").

³ Uyghur Forced Labor Prevention Act, H.R. 6256, 116th Cong. (2021).

⁵ *Id*; According to a Sheffield Hallam University study, Adidas is at high risk of having Xinjiang cotton in its supply chain due to its relationship with international intermediary manufacturers and Chinese textile companies sourcing

the forced labor of Uyghurs potentially violates the UFLPA and creates the conditions in which the CCP is able to continue committing genocide.

We would like to offer Adidas an opportunity to respond to these serious allegations and to provide information regarding its compliance with the UFLPA. We therefore request that you respond to the following questions by May 16, 2023:

- 1. Do any garments imported into the United States by Adidas contain inputs sourced from Xinjiang and/or inputs made with forced labor by Uyghurs?
- 2. Please provide a detailed description of the steps Adidas has taken since the UFLPA took effect to examine its supply chains with respect to forced labor risk in the manufacture of its products. How do these steps differ, if at all, from the methods used before the UFLPA took effect?
- 3. Please provide a detailed description of the steps Adidas has taken since the UFLPA took effect to ensure garments it sells that are made from cotton, viscose, lyocell, polyester, leather, and linen are not manufactured using forced labor by Uyghurs or other minority groups who are subjugated by the CCP.
- 4. Please provide a detailed description of the steps Adidas has taken to examine its other supply chains to ensure that other products it sells are not produced by using forced labor by Uyghurs or other minority groups who are subjugated by the CCP.
- 5. Do any of Adidas's garment suppliers use fabric and/or yarn from any of the following corporations (including their subsidiaries): Jiangsu Lianfa Group, Luthai Textile, Huafu Fashion, Texhong Textile, or Weiqiao Textile?
- 6. Is fabric and/or yarn made by any of the corporations referenced above used in the production of Adidas clothing sold in the United States? If so, please list each corporation whose fabric and/or yarn is used in the manufacture of Adidas clothing sold in the United States.
- 7. If fabric and/or yarn from one of the corporations referenced above is used in the production of Adidas clothing sold in the United States, what specific steps does Adidas take to ensure that none of this material is made in, or contains cotton from, Xinjiang?
- 8. Has Adidas contractually obligated all its garment suppliers to ensure that no inputs from Xinjiang are used in the manufacture of its clothes sold in the United States? Please provide all relevant documents to support such obligations.

cotton and employing state-sponsored labor transfers from the Uyghur Region. Most of the Chinese textile companies identified in the study have subsidiaries in Xinjiang that have employed state-sponsored labor transfers. *See,* Laura T. Murphy et al., *Laundering Cotton: How Xinjiang Cotton Is Obscured in International Supply Chains,* SHEFFIELD HALLAM UNIVERSITY (Nov. 2021).

- 9. What specific methods, other than mere written or verbal assurance from a garment supplier, does Adidas use to verify that the supplier is not using inputs from Xinjiang?
- 10. What audit methods does Adidas use to verify that suppliers in China—in and outside of Xinjiang—are not exploiting Uyghurs through state-sponsored labor transfers, given that workers in China cannot speak to auditors about forced labor without fear of government retaliation? Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents that describe, govern, implement, or report conduct, process, or results (without regard to the title of a given document) that are relevant to the conduct of such audits, as well as copies of any communications pertaining to any incident involving actual, alleged, or anticipated noncompliance with the UFLPA.
- 11. Has Adidas conclusively identified every supplier of fabric, cotton, and yarn in its global supply chain for products sold in the United States? If yes, please provide documents and evidence to substantiate Adidas's conclusive identification of such fabric, cotton, and yarn suppliers, including any documents evidencing Adidas's methodology with respect to this determination. If not, please provide a detailed explanation of how Adidas assesses whether its clothing imports comply with the UFLPA, including any documents describing Adidas's methodology with respect to such assessments.
- 12. Does Adidas allow cotton and/or other inputs produced in Xinjiang to be used in the manufacture of Adidas clothing sold in markets *outside* of North America?
- 13. Please provide a detailed description of the steps Adidas is taking to examine and monitor its supply chains on an ongoing basis. Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents (without regard to the title of a given document) that describe, govern, implement, or report conduct, processes, or results relevant to the conduct of such examination and monitoring.
- 14. Please provide a detailed description of your audit and compliance plan(s), and the steps taken thus far to implement controls to ensure that Adidas products are not produced by forced labor and that all Adidas products are obtained and sold in compliance with the requirements of the UFLPA. Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents (without regard to the title of a given document) that describe, govern, implement, or report conduct, processes, or results relevant to Adidas's audit and compliance plan(s).

The House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party has broad authority to "investigate and submit policy recommendations on the status of the Chinese Communist Party's economic, technological, and security progress and its competition with the United States" under H. Res. 11. Upon your receipt

of this letter, please maintain and preserve all hard copy and electronic documents, including electronic communications, related to the subject matter of these questions.

To make arrangements to deliver a response, please contact Select Committee majority and minority staff at (202) 226-9678 and (202) 225-2489, respectively.

Thank you for your attention to this important matter and prompt reply.

Sincerely,

Mike Gallagher

Chairman

Raja Krishnamoorthi Ranking Member